

# IRS News Release

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## **Nation's Large Corporations File Taxes Electronically**

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WASHINGTON — The Internal Revenue Service today announced that more than 450 of the nation's largest corporations have electronically filed taxes in advance of the March 15 filing date. Large corporate taxpayers, those with \$50 million or more in assets that file at least 250 returns, are required to e-file this year.

"We are pleased that large corporations have started making the transition from filing paper to electronic tax returns," said Deborah Nolan, Commissioner of the Large and Mid-Size Business Division (LMSB) of the Internal Revenue Service. "We have worked closely with stakeholder groups representing corporations, tax professionals and the e-file software industry to develop e-file systems and processes that meet their needs."

The IRS expects more than 10,000 large corporations to e-file by the extended filing date of Sept. 15, 2006. To complete this year's taxes electronically, many corporations and tax-exempt organizations will purchase software or rely on a tax professional. A list of e-file software and service providers is available at [IRS.gov](http://IRS.gov). Detailed e-filing guidance and instructions are also available on [IRS.gov](http://IRS.gov).

On the advice of stakeholders, the IRS has designed the corporate and tax-exempt organizations e-file program to be flexible to accommodate the various needs of large business and tax-exempt filers. In some cases, the IRS will accept PDF files and even paper documents as part of an electronic return. With this degree of flexibility, the agency does not expect to receive nor grant many waivers.

E-file has been available to corporations on a voluntary basis since 2004. In 2005, more than 200,000 corporations voluntarily filed their corporate income tax returns electronically, including about 1,200 corporations with assets exceeding \$10 million.

Increasingly, businesses and exempt organizations are conducting most or all of their transactions with the IRS electronically, which benefits the filer and the IRS. Filers benefit because of the increased accuracy of filed returns and the speed with which e-filed returns are processed. The IRS values the increased efficiency in processing electronic returns and the reduction in rework resulting from paper returns.

Tax-exempt organizations with \$100 million in assets that file at least 250 returns a year also are required to file electronically this year. The due date for most tax-exempt organizations is May 15. The IRS received about 6,700 electronically filed information returns from tax-exempt organizations in 2005.

For tax years ending on or after Dec. 31, 2006, the electronic filing requirement will be expanded to include the tax year 2006 returns of corporations and tax-exempt organizations with \$10 million or more in total assets who file 250 or more returns a year. In addition, private foundations and charitable trusts will be required to electronically file Form 990-PF, regardless of their asset size if they file 250 or more returns a year. Corporations and tax-exempt organizations not required to e-file are encouraged to do so voluntarily.